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C O N F I D E N T I A L SECTION 01 OF 05 HONG KONG 001866

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DEPT FOR G/TIP AND EAP/CM
NSC FOR DENNIS WILDER

E.O. 12958: DECL: 07/16/2032
TAGS: [KCRM](#) [SMIG](#) [SOCI](#) [PGOV](#) [PHUM](#) [HK](#) [CH](#) [MC](#) [MG](#)
SUBJECT: G/TIP DIRECTOR VISITS MACAU

REF: STATE 078347

Classified By: E/P Chief Laurent Charbonnet. Reasons: 1.4 (b, d).

¶1. (C) Summary: Ambassador Mark Lagon, Director, Office to Monitor and Combat Trafficking in Persons (G/TIP), and his Senior Coordinator for Reports, Mark Taylor, visited Macau on June 27 to discuss with Macau cabinet officials actions the Macau Special Administrative Region government (MSARG) should take to combat trafficking in persons (TIP) effectively. Consul General Cunningham accompanied Amb. Lagon in his call on Macau Chief Executive Edmund Ho. In response to remarks by Ambassador Lagon about the nature and seriousness of global trafficking in persons, including in the MSAR and the U.S., Chief Executive Ho affirmed that his government is ready to cooperate.

¶2. (C) Additionally, the CE said that he understood that the USG's giving Macau a second consecutive Tier 2 Watch List ranking in the annual TIP report meant Macau had to show progress in the coming months. He added, "we are not only committed to addressing the problem now, but we should have made it a priority years ago." CE Ho also said he was confident trafficking could be defeated in the MSAR without any disruption to the gaming and tourism industries. In addition to the meeting with Chief Executive Ho, Amb. Lagon called on several other relevant agencies in and out of the Macau government and provided on-the-record interviews to three separate reporters during his visit, some of which have played out in press reportage since the visit. Summaries of each meeting, as well as the follow-up in local press and the Chief Executive's subsequent public statements, are included in paras 4-16. End summary.

¶3. (C) Comment: Chief Executive Ho has unambiguously taken the lead and is driving recognition across the MSARG and to the public that trafficking is a priority in Macau, and that despite the challenges Macau's small government faces with the territory's gangbuster economic development, trafficking must be combatted in the near term. Officials in each meeting seemed fully briefed, prepared, and more energized on the issue, and an interagency approach seems to be taking hold. CE Ho's statements that the MSARG now has the resources and the commitment necessary to fight TIP suggests a turning point in the MSARG's approach to the issue and its willingness to actively combat trafficking, as well as partner with NGOs to protect victims. Hopefully deeds will match words. End comment.

CE Ho Committed to Implementing Anti-TIP Measures

14. (C) Ambassador Lagon told Chief Executive Edmund Ho, head of the Government of the Macau Special Administrative Region (MSARG), that trafficking in persons was a serious problem that plagued the United States as well as jurisdictions across East Asia including Macau, where prostitution is widespread and tolerated. Furthermore, the U.S. Government was committed to helping others recognize the extent of this problem and to provide assistance, as appropriate. CE Ho responded that his government was ready to take action and cooperate with us in the endeavor. Ambassador Lagon expressed pleasure over the news that the MSARG had called for a bottom-up review of Macau laws related to trafficking in persons (TIP), to be conducted by the Consultative Commission on Women's Affairs (CCWA), of which Ho is the titular head, and that proposals for a new, more comprehensive TIP law were in the works. Ambassador Lagon also explained that TIP often presented a multifaceted challenge for governments, and that laws alone are not enough -- good enforcement was key.

15. (C) CE Ho responded that "we are not only committed to addressing the problem now, but we should have made it a priority years ago." He admitted to having the resources necessary to implement anti-TIP measures, and that he already had called for the police to "mobilize, and look into the matter," and that efforts were underway to work with the Government of Mongolia and others to improve the circumstances facing visitors and foreign workers. Ho said he was pleased to see that the USG did not have a "hidden agenda" on the TIP issue, and that although immediate improvements would be difficult, we could expect to see progress in the months ahead. (Comment: By "hidden agenda," Ho probably meant to express concern over our use of TIP as a lever over one or more unrelated bilateral issues. End

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comment.) Recognizing the link between prostitution and TIP cases, Ho said "the sex industry will comply because it is not widely complicit in trafficking in the MSAR," and governmental measures would be tailored so as not to catalyze resistance from the gaming industry. Ambassador Lagon said he was aware that Macau was progressing markedly in economic development, led by the gaming industry, but that we were concerned about the potential detrimental effects stemming from prostitution in the MSAR as a magnet for trafficking. CE Ho agreed, but said he expected the evolution and increased sophistication of the gaming industry in Macau to not allow for a widespread TIP problem, and that an exacerbation of social ills in Macanese society was "not in our interests."

16. (C) Amb. Lagon elaborated on the USG's holistic model for combating trafficking, which goes beyond law enforcement action and includes dedicated efforts to identify and protect victims. Amb. Lagon added that partnerships between government, private sector and non-governmental organizations, and civil society, were necessary for the effective protection of victims, which requires proactive efforts to find these victims among groups of foreign migrants. Ho replied that he was in "total agreement," and said the MSARG would work with local NGOs and women's groups to identify victims, and that "it is always better if the government takes the lead." Amb. Lagon also suggested that the MSARG appoint a dedicated point person to lead a working group or similar interagency approach to combating TIP in the MSAR. Ho said that the MSARG and others in Macau could learn a lot from the U.S. experience dealing with TIP, and that it would take time to tie together policies and dramatically improve awareness among civil society. He said the MSARG was considering updating immigration policies related to TIP, and commented that Beijing would support this measure as an "overstay loophole led to all sorts of activities." (Note: CE Ho asked that we not share this point publicly. End note.) Finally, Chief Executive Ho said he expected a new trafficking law to pass "by the end of the year."

17. (C) In addition to the afternoon meeting with CE Ho, Amb. Lagon, Mark Taylor, and Acting DPO and poloff called on other relevant persons in and out of the Macau government. Sister Juliana Devoy, Director of the Good Shepherd Sisters shelter in Macau and a member of the CCWA, described two recent cases of Filipina women being trafficked to Macau, to highlight flaws in the process for victim-handling. More broadly, she said she was encouraged about the potential progress, spurred by other NGOs including The Asia Foundation and the Ulaanbaatar-based Gender Equality Center, that generated a recent meeting between the Government of Mongolia and the Government of Macau. Sr. Juliana also expressed hope that the U.S.-owned casinos operating in Macau, such as the Venetian, would lead the business community's anti-TIP efforts. Moreover, she said that despite the March 2007 establishment of a criminal reporting hotline to the Macau Judicial Police (responsible for enforcing vice-related crimes) identifying and interviewing victims was "still not a widespread skill" among law enforcement officers. (Note: A reporter from the Asian Wall Street Journal accompanied Ambassador Lagon to this meeting, and recorded statements for use in a follow-up story. The same reporter subsequently interviewed Amb. Lagon. As of this report, the AWSJ report has not been published. End note.)

18. (C) Amb. Lagon met with Vong Chun Fat, Chief of Cabinet in the office of the MSARG Secretary for Security, in addition to a large group of officials from the Macau Unitary and Judiciary Police services and Social Welfare Institute. Amb. Lagon started by saying that "we are not here to pass judgment" and that there is growing recognition around the world that trafficking is a social problem that detracts from human dignity; the U.S. itself is grappling with boosting prosecutions, victim protection, and preventive public awareness at home. Amb. Lagon reviewed the points made in our recommended action plan from August 2006, reiterating our commitment to this approach. Mr. Vong replied that he agreed with the working group approach to tackling the problem, evidenced by the large, inter-agency group attending the meeting, and that training of Macau's police services was advancing and being expanded. Vong noted, however, that victims must come forward and cooperate with police to report trafficking cases, if they are to reasonably expect

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protection. Amb. Lagon responded that often victims are afraid to come forward, fearing retribution from exploiters and being treated as criminals or illegal aliens by authorities, and victim identification needs to be pro-active.

19. (C) Vong echoed the MSARG's commitment to revising its laws, adding he was well aware of the need for effective enforcement. He said the Secretary for Security was considering establishing a hotline, but that it required an interagency approach to be effective; this, as well as a complementary information campaign, would be on the government's agenda. Although Vong ducked Amb. Lagon's query into the nexus between gambling, sex exploitation, and related complications in law enforcement actions (such as corruption), he expressed a commitment to improve intelligence collection, analysis, and sharing with foreign and PRC law enforcement counterparts, as well as inspections at the Macau-PRC border and in casinos. Additionally, Deputy Commissioner of the Public Security Police Ma Io Kun said that Macau police were already patrolling targeted locations for prostitution-related cases, and in the past they had worked with consulates and embassies around the world when pursuing trafficking cases. Mario Lameiras, Assistant to the Commissioner General of the Macau Unitary Police Service, said he was interested in improving training for law enforcement officers, and that exchanges with local NGOs on how to best identify and protect victims would be helpful.

Amb. Lagon replied that we could try to facilitate a TIP-focused training program provided by the U.S. Department of Justice in the future, if that was of interest.

¶10. (C) In a separate meeting, Jorge Costa Oliveira, Director of the Macau International Law Office, lauded the annual Department report on trafficking for exposing the issue and helping energize focused action. He said in candor that the outside pressure was helpful to spur change in Macau's law and its enforcement. In fact, he said, this year's report had already contributed to progress in the MSAR as a catalyst for proposals on a new TIP law, and it had made TIP a priority for the strained MSARG. Mr. Oliveira said the proposed law now rested with the Office of the Chief Executive, and that if and when he approved, it could be implemented very quickly. He added that he did not yet know if the PRC central government had provided an opinion on the proposed law. In the past, Oliveira said, TIP-related cases had been difficult to prosecute, and that mounting pressure on immigration enforcement exacerbated the challenge of enforcement in TIP cases. He also spoke frankly about the importance to the MSARG of human rights, including trafficking, while admitting a MSARG "practical" policy of tolerating the sex trade as a reality that cannot be eliminated. Despite the importance of these issues, he said the practical reality in Macau is that only those in extreme cases came forward to the police. On this, he admitted, "we have work to do."

¶11. (C) The group had lunch with Mr. Walter Power, Senior Vice President of Operations, and Mr. Daniel Shim, Senior Vice President of Human Resources, of the Venetian-Sands Macau, who were unambiguous in affirming that US-owned casinos in Macau were committed to providing venues for gambling and other entertainment based on modern business models which do not allow prostitution or trafficking in the venue. The latter, they said, were not needed to succeed in Macau's gaming industry. The lunch participants discussed how American casinos could build norms of delinking prostitution from casinos, and how Sands might consider philanthropic giving to victim protection operations. Mr. Power said that extreme forms of prostitution and related criminal activity predominantly occurred in Macau's northern region (away from the major gaming centers) but cautioned that organized prostitution still occurred--and could be easily observed--in the Lisboa Hotel & Casino, as well as other local, long-standing gaming establishments in the MSAR.

¶12. (C) Mr. Ho Chio Meng, the Public Prosecutor in Macau, said he had read our 2007 TIP report on Macau. Although TIP was a serious crime, he explained that TIP-related statistics for Macau could easily be inaccurate and misinterpreted. He said that under the current structure of offenses in Macau law, illegal immigration, organized crime, and illegal labor cases were often tallied together with TIP crimes, making it difficult to accurately gauge the government's anti-TIP actions. Amb. Lagon expressed appreciation for this point, but noted that these other crimes often lead to punishments

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lighter than those deserving of a serious trafficking offense and they usually do not identify and protect victims of trafficking. Mr. Ho said investigations conducted by his office clearly indicated organized crime's involvement in TIP. He said that cutting out the source of income, even if cross-border, was the most effective means to success, and that Macau-PRC cooperation on a host of law enforcement matters had been increasing. For example, Ho said intelligence sharing, especially during law enforcement operations and investigations into identification fraud and human smuggling rings, contributed to successful prosecution.

¶13. (C) Mr. Ho detailed one aspect of Macau law closely linked to most TIP cases: despite complications resulting from immigration and prostitution crimes being closely linked to TIP cases, victims could be heard in the pre-trial process

and their testimonies were admissible in court, so that even those sent home to the PRC or elsewhere could contribute to the prosecution of traffickers. In conclusion, Ho said that although negative media reports had already circulated in the MSAR about the 2007 TIP report, he viewed the situation as an opportunity for the MSARG to show its commitment to tackling the problem, and that Macau needed to do this if it had any hopes of becoming a "place of progress" in the future.

Regional Press After the Visit

¶14. (SBU) Ambassador Lagon granted several press interviews during his visit, including one with the "Financial Times" (FT). On July 2 (Hong Kong time), the FT published an article based on the interview that outlined the trafficking situation in Macau, its status as a Tier 2 Watch List territory, and the measures required to improve the TIP-list status. The FT article was followed the next day by an article in the "Macau Daily Times," a recently established, relatively minor English-language newspaper, that picked up on the themes raised in the FT piece.

¶15. (C) On July 3, MSAR Chief Executive Ho addressed members of the press after the U.S. national day reception in Macau, in response to the "Macau Daily Times" article. He expressed regret over the Tier 2 Watch List ranking, and in passing recited the oft-heard mainland PRC position that such lists constituted U.S. "interference" in the internal affairs of other countries and territories. CE Ho also said, however, that "the SAR government is very concerned about the human trafficking issue." He admitted that the government still "had not done its best" and pledged to pass laws on the matter, improve inter-departmental coordination, and consider cooperation with NGOs to provide assistance to victims. He told the press he was optimistic about the situation and that the SAR government is capable of and determined to make progress on the issue in a reasonable time. (Note: CE Ho's remarks on Macau's concern with trafficking and planned steps track closely with wording suggested by CG Cunningham, who had a chance to speak with CE Ho before he met with the press. However, Ho was visibly annoyed that he had been confronted by the sudden TIP media attention, just prior to his attendance at our Independence Day reception, and he curtailed his customarily gracious congratulatory message and toast. He spoke to the local press immediately after the U.S. reception. End note.)

¶16. (SBU) CE Ho's comments generated five articles in the Macanese press ("Macau Daily Times," "Jornal Cheng Pao," "Tai Chung Pou Macau," "Jornal Va Kio," and "Xin Hua Ao Bao") and two articles in the Hong Kong press ("Oriental Daily" and "HK Daily"). Most of these were straight reporting of the CE's comments including his first public commitment to tackle the TIP problem. The "Oriental Daily," however, stressed that the "human trafficking situation in Macau was not as serious as made out by the U.S." The "Jornal Va Ko" emphasized the "interference in Macau's internal affairs" angle, saying in an editorial, "the move will not affect Macau's international image. On the contrary, it will only damage the international image of the U.S. ... Such U.S. interference in Macau will only make people feel that the U.S. bullies the weak and fears the strong, is incompetent as 'world cop,' and is not really a defender of human rights." (Comment: We expect to continue to receive some pushback in the Macau press on our efforts to energize the government against trafficking. For the most part, however, the press has been turning their attention to the trafficking problem in constructive ways and successfully raising civic awareness of this issue; CE Ho's own comments were a very helpful public

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statement of Macau's recognition of the problem and its will to address it -- tempered, of course, with a standard rejection of U.S. "interference," designed to please Beijing. End comment.)

